

## **Department Budget Reductions: Phase II**

### **Initial Narrative Summary**

**March 7, 2003**

#### *Citizen Services Office*

- Layoffs would include one temporary employee (Information and Complaint) and intern (Marketing & Promotion) and newly-hired analyst. Currently it is the responsibility of the analysts to follow through on complaints taken to contact the complainant with the response of the inspection. Follow through on complaints would be passed on to the inspectors and various departments. Time on phones spent with citizens would be reduced, causing more phone calls to be transferred directly to departments. I&C is exploring the option of putting the incoming calls in a order of call mode; meaning that when the analysts are on the phone and receive a call, that call would go into a system informing the caller that their call would be answered in the order it was received.
- District Councils receive biweekly reports of complaints pertaining to their districts. These reports would be given monthly at best or totally eliminated.
- E-mail responses are currently assigned to one analyst with a one day response time to maintain consistency in the response. These complaints would need to be rotated among the analysts with no promise of time frame for response. An option is to shut down the phones early each day to enter the complaints into the AMANDA system to ensure a one day response.
- Analysts are rotated in order to attend event meetings to remain current of upcoming events to inform callers. This function would be taken away from the Information Analysts, and reassigned to the Deputy or the Director.
- Marketing & Promotions share one analyst to do council resolutions, budget preparation, bill paying, ordering of supplies for events, coordinating meetings. This position also handles the same responsibilities for Information and Complaints and City Clerk, as well as serving as a back up for analysts. This position would be eliminated, causing the two remaining Marketing & Promotion staff to cover budgetary concerns, as well as rolling those responsibilities to staff members in CSO. Budget cut to Marketing and Promotions of over \$141,000. Staff reduction as well as event sponsorship will be reduced. Event planning and attendance would fall on two full time employees as well as the general day-to-day schedules and phone calls. Elimination of intern monies for City Clerk: Scanning of city documents, and filing and preparation of National City Clerk Convention will be absorbed within the department.
- Office of Neighborhood Housing and Property Improvement will conduct fewer neighborhood sweeps for code violations - \$58,500 General Permanent Reduction; \$5,294 Overtime Budget. Although this change will not adversely affect the City's ability to enforce the property codes, this change will weaken the City's ability to provide intensive enforcement efforts.

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### *City Attorney's Office*

No further reduction is proposed for Phase II.

### *City Council*

Although the City Council was not invited to submit a 2003 budget reduction plan, the city council budget was allocated a reduction target similar to the other departments. The Office of Financial Services will assist Council staff as needed to identify specific impacts.

### *Financial Services*

A vacant Accountant I position will not be filled. A reduction of \$125,000 in annual funding for the Capitol City Partnership (beginning in 2004) is also included in the Mayor's Phase II recommendation.

### *Fire*

The Fire Department has submitted a proposal to realize permanent savings through changes in the staffing model. The proposal incorporates the following:

- The efficiency and safety of establishing four-member companies;
- No fire suppression lay-offs or fire station closings;
- Decommissioning of three fire companies;
- Reallocation of fire suppression personnel;
- Repositioning of resources;
- Temporary reductions in rank of 12 captains and 12 fire equipment operators;
- Adding to the reserve apparatus fleet.

A paper copy of the complete information provided by Chief Fuller is being sent under separate cover.

### *General Government Accounts*

The \$100,000 funding for the workers' compensation incentive program will be eliminated. The appropriated tort liability budget will be reduced by \$100,000, and more reliance will be placed on the tort liability reserve. A \$100,000 swap of CDBG funding, taken from other CDBG programs, is proposed to support the budget of district councils, replacing a portion of the current district council financing. Funding for district councils and block club crime prevention efforts will be reduced by \$50,000. The right of way assessment rates will be adjusted to cover an amount for uncollectibles related to tax forfeited properties, and the amount in the general fund that was supporting this obligation will be eliminated.

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#### *Human Resources*

Human Resources and Risk Management are working on the transition plan for merging Risk into HR. The merger will realize efficiencies in service delivery. Part of the transition plan for the merger will be to combine the cuts proposed in Phase II together. Human Resources and Risk Management believe this is the most effective way for making the cuts and will make the resulting service cuts less onerous. The cut details shown below involve cuts to both areas. However, if the merger does not happen, the details shown below will be different and Risk Management will need to make service delivery cuts.

Phase II Proposed Cut (with the HR/RM Merger):	Human Resources:	\$50,000
	Risk Management:	\$261,000
	Total Proposed Cut:	<b>\$311,000</b>

Details	Savings
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Cut HR CTII: This person will be moved into a vacant Risk Management position	\$39,085
Layoff HR CTII	\$36,814
Layoff Safety/ADA Coordinator	\$81,177
Layoff Worker s Comp Administrator	\$86,023
Backout previous cut in Phase I regarding the two above positions	(\$27,000)
Layoff 2 Clerk Typist IIIs (one in HR & one in RM)	\$94,901
Total	\$311,000

**Risk Management Budget Cut Impact (without the HR merger):** If the proposed merger into Human Resources does not take place (and Risk Management remains part of the Department of Technology and Management Services), it has been directed to eliminate four staff positions in 2003 resulting in a reduction of \$261,000 to the 2004 base budget. The budget reduction will affect services in employee/retiree insurance, workers' compensation, tort liability, unemployment claims processing, and general staff support.

The number of benefit open enrollment sessions for employees and retirees will be reduced by one-third to one-half. Changes to an employee's deferred compensation plan will be limited to once a year. Responses to employee/retiree concerns or complaints will be delayed, and remaining staff will have to work overtime to meet monthly payroll and payment time lines.

Investigation into workers' compensation claims will be extremely limited if not eliminated. This will result in more claims being approved for payment. Overtime will be needed for staff to meet payroll deadlines and State required reporting deadlines. Currently, there are 861 open workers' compensation files, which is 287 per workers' compensation staff member. The industry average is 150 to 170 open claims per staff person. Responses to citizens' claims for liability payment will be delayed, investigations and personal interviews on claims will be limited or eliminated. Currently the tort claims are handled by one individual who averages 386 new claims a year. This position also processes the City's unemployment claims and quarterly billing, and completes the required GASB reports for accounting and State auditors.

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All staff will be asked to answer phones, share receptionist duties, and open/mail their own correspondence. Centralized control of incoming workers' compensation claims, tort liability claims, unemployment claims, and health care questions/concerns will be eliminated.

### *Human Rights*

Two positions will be eliminated, resulting in lay-offs.

### *Libraries*

#### **Reduce and Restructure Library Hours to Save \$150,00 (annualized)**

Permanent Savings, 3 Layoffs (2.3 FTE)

- Hayden Heights, Arlington, Riverview, Hamline-Midway, and Saint Anthony: reduce to 8.5 hours/day plus 5 hours/Saturday (47.5 hours)
- Central and large libraries: Retain current open hours but eliminate Sunday service in the summer at all but Highland, Lexington and Sun Ray.

#### **Patron Use Patterns**

The Library is used by a wide range of residents with different use patterns:

- Seniors, parents with preschoolers, daycare centers and schools typically use the library from mid- to late- morning through the afternoon on weekdays.
- Students are more likely to use the library from the late afternoon to early evening for homework.
- Sundays are heavily used during the period from early October to late May for homework and by families. Use tapers off during the summer months, but some residents including those taking summer courses continue to use the branches on Sunday.
- The rest of our patrons distribute their use across all the open hours.
- Provided that a range of open hours is available, use will redistribute to the remaining open hours and will also continue to increase (18% increase in circulation in 2003).

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### **Principles**

The proposed reduction in hours is based on these principles:

- Central supports branches as well as anchoring the downtown.
- Geographic clusters of area (large) libraries and community (small) provide seven day/week service including mornings, afternoons, and evenings.
  - The number of libraries open Sunday in the summer (low use time) will be reduced so some staff hours can be reassigned in order for a reduced staff to deal with continuing high use
  - Three libraries geographically balanced in the east, center and west will continue to provide Sunday service year round for those who prefer to use the library at that time. These libraries are also easily accessible by public transportation.
  - The proposed service hours will be reviewed and adjusted if necessary based on use patterns.

### **New Service Model**

The Library will implement a new service hours schedule based on the following model:

- Smaller, community libraries (Saint Anthony Park, Hayden Heights, Arlington, Riverview, and Hamline-Midway) will reduce their schedules to 8.5 hours per day, 5 days per week and 5 hours on Saturday (total of 47.5).
  - Central will retain its current hours.
  - 5 large area libraries (Highland Park, Lexington, Merriam Park, Rice St. and Sun Ray) will generally retain their current hours of operation to provide City-wide access to their larger, more in-depth collections. However, Merriam and Rice St. will now close on Sundays from the end of May to the end of September leaving Highland, Lexington, and Sun Ray open year round on Sundays.
    - West 7<sup>th</sup>, the smallest library, already has a reduced schedule and will not be cut further.
    - Bookmobile will also retain its current hours.

The Libraries selected to maintain their longer hours are geographically balanced, offer larger, deeper collections and professional expertise, and are near both bus lines and major thoroughfares. The hours at the smaller libraries will be scheduled to minimize the impact on public service insofar as this is possible.

The impact of these closures on both public service and staff workload will be significant because of the shorter hours and expectation that use will not diminish.

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### Amount of Savings

	2003	Annualized	FTE	Layoffs
<b>Reduce hours (Branches)</b>	<b>\$103,082</b>	<b>\$156,185</b>	<b>2.3</b>	<b>3</b>
Unemployment Exposure	\$24,041	\$12,385		

A one-time cut to the library materials will fund the unemployment costs which will be spread over 2003 and 2004.

	Current Hours	Proposed Hours
<b>Central</b>	Mon: 11:30 - 8 Tues., Wed., Fri.: 9 - 5:30 Thu: 9 - 8 Sat.: 11 - 4 Sun.: Closed <b>50 hrs wk</b>	No change
<b>Highland Park Area</b>	Mon. Wed. Thu: 12:30 - 9 Tues: 10 - 9 Fri, Sat 10 - 5:30 Sun 1 - 5 <b>55.5 hrs wk</b>	No change
• West 7th	Mon, Thu: 1 - 8 Tue 1 - 5:30 Wed, Fri: 10 - 5:30 Sat, Sun: Closed <b>33.5 hrs wk</b>	No change
• Riverview	Mon - Thu: 10 - 9 Fri: 10 - 5:30 Sat: 11- 4 Sun: 1 - 5 <b>60.5 hrs wk</b>	Mon - Wed: 11:30 - 8 Thu: 9 - 5:30 Fri: 9 - 5:30 Sat: 11 - 4 <b>47.5 hr wk</b>
<b>Sun Ray Area</b>	Mon. Wed. Thu: 12:30 - 9:00 Tues: 10:00 - 9:00 Fri, Sat 10:00 - 5:30 Sun 1:00 - 5:00 <b>55.5 hrs wk</b>	No change
• Arlington Hills	Mon - Thu: 10 - 9 Fri: 10 - 5:30 Sat: 11- 4 Sun: Closed <b>56.5 hrs wk</b>	Mon - Wed: 11:30 - 8 Thu: 9 - 5:30 Fri: 9 - 5:30 Sat: 11 - 4 <b>47.5 hr wk</b>

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• Hayden Heights	Mon. Wed. Thu: 12:30 - 9:00 Tues: 10:00 - 9:00 Fri, Sat 10:00 - 5:30 Sun 1:00 - 5:00 <b>55.5 hrs wk</b>	Mon - Wed: 11:30 - 8 Thu: 9 - 5:30 Fri: 9 - 5:30 Sat: 11 - 4 <b>47.5 hr wk</b>
• Rice Street	Mon. Wed. Thu: 12:30 - 9:00 Tues: 10:00 - 9:00 Fri, Sat 10:00 - 5:30 Sun 1:00 - 5:00 <b>55.5 hrs wk</b>	Closed Sunday in Summer  <b>Summer 51.5</b>
<b>Lexington Area</b>	Mon. Wed. Thu: 12:30 - 9:00 Tues: 10:00 - 9:00 Fri, Sat 10:00 - 5:30 Sun 1:00 - 5:00 <b>55.5 hrs wk</b>	No change
• Bookmobile	39 stops bi-weekly	No change
<b>Merriam Park Area</b>	Mon. Wed. Thu: 12:30 - 9:00 Tues: 10:00 - 9:00 Fri, Sat 10:00 - 5:30 Sun 1:00 - 5:00 <b>55.5 hrs wk</b>	Closed Sunday in Summer  <b>Summer 51.5</b>
• Saint Anthony	Mon - Thu: 10 - 9 Fri: 10 - 5:30 Sat: 11- 4 Sun: 1 - 5 <b>60.5 hrs wk</b>	Mon - Wed: 11:30 - 8 Thu: 9 - 5:30 Fri: 9 - 5:30 Sat: 11 - 4 <b>47.5 hr wk</b>
• Hamline-Midway	Mon - Thu: 10 - 9 Fri: 10 - 5:30 Sat: 11- 4 <b>60.5 hrs wk</b>	Mon - Wed: 11:30 - 8 Thu: 9 - 5:30 Fri: 9 - 5:30 Sat: 11 - 4 <b>47.5 hr wk</b>

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#### *License, Inspection and Environmental Protection (LIEP)*

- Recognize sewer funds financing of two animal control officers - \$88,535: Sewers will continue to be baited for rats.
- Reduce the overtime budget at Animal Control - \$5,718: Police will receive more emergency calls related to animals.
- General Permanent Reduction - \$58,500
  - Lay off one clerical employee at Animal Control - \$44,754
  - Reduce Animal Control Capital Expenditures - \$13,746Hours will be limited at the Animal Control Center on weekends; however, the center will be open for redemption of animals. Animal Control will cease being the first responder for cruelty, neglect and other humane issues, but will provide limited back up to the Humane Society on these issues. There may be some delayed response to low priority calls (e.g., barking dogs, wild animal concerns).

In addition to the above, LIEP has been assessed \$75,920 in central service costs. That fee could be paid by reducing the training budget by \$10,000; the balance of \$65,920 will be accomplished by reducing miscellaneous salary line items and fringes.

#### *Mayor's Office*

One vacant support staff position will be eliminated. The share of Federal lobbyist costs now paid from the Mayor's office budget will be shifted to Public Works. Most federal lobbying activity relates to transportation.

#### *Parks & Recreation*

Parks and Recreation's 2003 Phase II reductions amount is \$548,552. The impact of these reductions and how Parks and Recreation plan to manage these reductions in order to ensure that the most critical responsibilities are met are as follows:

- Cease City Funding for Nine Part-Time Recreation Centers - \$303,966: The Recreation Services Plan being developed in collaboration with consultant Brauer & Associates will soon be completed. This plan establishes a new model and organization for Parks and Recreation which recognizes the community's strong interest in keeping the part time centers available to the community through partnerships; while not burdening the core system with unsustainable buildings. In the end, the cost to taxpayers is reduced while the assets and coordinated services are improved. Since the early discussions, there has been significant interest from neighborhood groups and community organizations to enter into these partnerships. In this new plan, neighborhoods will continue to be an important part of the recreation system.
- Reduce Wood Disposal Vehicle Rental - \$75,000: Parks and Recreation is entering into a management agreement with District Energy and is anticipating \$75,000 in savings.
- Elimination of audit intern - \$8,806: Parks and Recreation's accounting section in previous years has hired interns in the summer months to allow regular accounting staff to perform facility audits. This function will now be performed on an as-needed basis.



- Principal Designer - \$22,716: The .2 FTE Principal Designer will shift from the general fund to the special fund, Parks and Recreation Special Projects. This special fund accounts for materials purchased and design services performed by Parks and Recreation for other departments capital funds. The entire 1.0 FTE for the Principal Designer will now be in the special fund.
- Reduce Architect Fees - \$3,262: The reduction in architect fees of \$3,262 decreases the amount of service fees available in the general fund for design projects. The 2003 budgeted amount is \$9,674 which will be reduced to \$6,412.
- Reduce Forestry Vehicle Rental - \$12,000: Due to the reduction of a Forestry Manager and an Arborist, the costs associated with vehicle rental will be eliminated.
- Eliminate Mileage for Phase I reduction of supervisors - \$5,000: Due to the reduction in supervisors, the costs associated with mileage can also be reduced.
- Operations Reduction - \$85,000:
  - Reduction of Trades Lead positions in Plumber/Electrician/HVAC - \$20,315: Lead Plumber and Lead Electrician will be reduced back to Journeymen titles. Lead Fitter will be reduced to \$1.25 over Fitter scale (pending agreement with union.) Other than in HVAC, Building Trades will no longer be able to pull permits for new construction. This function will need to be handled by LIEP building inspectors as it had been done in the past, when LIEP was part of Community Services.
  - Reduction of a Clerk III - \$41,431: The restructuring of Parks and Recreation consolidates Forestry and Operations. With the consolidation of clerical staff into one pool, there should be no loss in service.
  - Reduction in Vehicle Rental - \$23,254: Due to the layoffs and restructuring the impact on Operations will be minimal.
- Overtime Reduction- \$32,802: The reduction in overtime will impact Operations ability to provide snow removal at our facilities along with the ability to staff special events such as the Hmong Festival, Winter Carnival, Highland Festival and Melaleuca Celebration. The overtime reduction will also impact the Como Zoo operation. Como Zoo operates seven days a week. Overtime is required on weekends and holidays just by having the regular staff there. If someone calls in sick, that shift has to be covered by overtime. When there is an emergency with an animal, keepers work overtime. When the animal trainer is on site, all the keepers she works with have to be there. That involves overtime for the keepers who wouldn't have been regularly scheduled.

#### *Planning and Economic Development (PED)*

In the General Government Accounts budget, the city would replace \$100,000 of the General Fund's share of the district councils' budget with \$100,000 in CDBG funding from to CDBG public funded activities: \$50,000 from the Citizen Organization Partnership Program and \$50,000 from Capital City Youth Employment Program. PED's share of a federal lobbyist contract would be shifted from the General Fund to the PED Operations Fund.

.5 FTE Principal Planner to Public Works - PED and Public Works have worked together on transportation issues for years, and have together reinforced the need for transportation planning as an ongoing need for the city. In more recent negotiations, PED and Public Works have agreed to each provide 50% of the

funding support for the Principal Planner to work on these critical transportation issues. As a result, 50% of the General Fund costs associated with this position and activity would now be funded through Public Works special funds. Savings to PED General Fund will be \$45,000.00

Elimination of a Planner III Position - PED has carried a vacant Planner III position for the last several years as a result of a staff member accepting a legislative position. In Round #1 of the budget discussions, PED agreed to a FY2003 one-time salary savings resulting from the vacancy. In FY2004, we are recommending the elimination of this position. Savings to the General Fund \$ 62,600.

Transfer of a Planner Position w/ 50K Funding to Council Research - As a result of both retirements and job changes, City Council Research staff have been in discussions with several PED planning staff members about the possibility of transferring positions. The need for a person that is backgrounded in both neighborhood and citywide issues, and could provide assistance was recognized. PED currently provides \$50,000 to Council Research, and is proposing to agree to a transfer of a Planner III to Council Research along with the \$50,000. The Council will then be able to decrease its FTE request by one. Net savings to General Fund of \$50,000, and the ability to provide immediate assistance to the City Council.

Reorganization and reassignment of Current Planner duties - PED is fortunate to have a number of Planners with backgrounds not only in Planning, but who also maintain considerable skills in project management. At the same time, PED has continued to have several openings in the project management field. We believe that the city can capitalize on these unique skills and talents, and assist in both the planning and production of Housing 5000 and future economic development activities. Over the next several months, PED proposes to transition two planning positions into work assignments that can be directly associated with housing and economic development initiatives traditionally financed by Special Funds. Savings to the General Fund of \$100,000.

#### *Police*

No further reduction is proposed for Phase II.

#### *Public Works*

**Direct Public Works Impacts:** Page five of the six-page Reduction Items Record - Round II lists the item Public Works - reduce overtime budget, \$3,518. Public Works has overtime in the General Fund in only one activity, the Survey Section, activity 02190. This budget for 2003 totals \$16,610 and the \$3,518 cut represents a 21% reduction. In the past, very little overtime has been spent in this activity. Therefore, the reduction suggested by the Mayor is appropriate and Public Works can find ways to schedule the workload to facilitate this reduction in overtime.

**Indirect Public Works Impacts:** The summary page displaying the entire \$11 million in Phase II cuts shows an additional \$759,290 recovered in both 2003 and 2004 from the City's special funds through Central Service Charges. According to calculations, \$288,960 of this \$759,290 will be allocated to Public Works. The 2003 City Council Adopted and the proposed new Central Service charges by Public Works Special Fund are outlined below. Public Works is also being requested to provide additional special fund

dollars to fund two animal control officers who provide sewer baiting for LIEP.

<u>Fund</u>	<u>Fund Name</u>	<u>2003 Adopted</u>	<u>2003 Revised</u>	<u>Increase</u>
205	Engineering	172,980	217,620	44,640
225	Street Repair	495,070	622,830	127,760
232	Recycling	3,100	3,900	800
240	Traffic	86,490	108,810	22,320
245	Asphalt	13,330	16,770	3,440
250	Equipment	71,300	89,700	18,400
255	Administration	69,440	87,360	17,920
260	Sewer Utility	208,010	261,690	53,680
	Total	1,119,720	1,408,680	288,960

For the Street Repair and Cleaning Fund (225 above) there is an opportunity to base the ROW assessment rates ratified this fall on actual spending, therefore this \$127,760 increase should be recovered accordingly. The rates may need to be reviewed and adjusted slightly for the 2004 budget year depending on what spending looks like for the entire fund.

#### *Technology and Management Services (TMS)*

Cable Office: A provisional staff who works on special projects related to the I-Net would be laid-off.

Information Services: The elimination of a Consultant IV vacancy will result in a major restructuring of the Application Development Section. As part of this reorganization, attention will be given to restructuring address, GIS, and Real Estate functions. This will result in one layoff which is yet to be determined. The reorganization of the Help Desk and Desktop Support areas include incorporating Library and LIEP services, resulting in one layoff which is yet to be determined.

An additional reduction of 20 PCs for the PC Replacement brings the total number of reductions in Round 1 and Round 2 to 40. IS will eliminate Pertec data entry equipment and associated maintenance contract with the move of the Computer Center to the Griffin Building. The GIS Joint Powers agreement with Ramsey County has substantially reduced IS fees for monthly parcel data transfer. Remaining reductions include Sun maintenance fees spurred by Sun's elimination of maintenance support for several old servers, centralized data storage project (exact reductions to be determined), and technical training dollars. Technical training will be available for staff but at a reduced amount. IS costs for maintaining the Real Estate Division's assessment system, which tracks construction project, right-of-way and sewer assessment charges against benefitted properties, will be included in the assessment costs charged to property owners.

Real Estate: The remaining amount of general fund financing for the design group would be eliminated and 3 design group staff would be laid-off: an architect, a graphic designer, and a structural engineer. This will result in departments and offices needing to hire consultants to perform design and construction services that are currently provided in-house. A challenge to overcome will be the loss of continuity, institutional history, and the owners' perspective with regard to construction projects.

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The Right-of-Way/Valuation function would be shifted completely to Public Works (special funds) and the supervisor of assessments and a valuation/assessments technician would be laid off. This organizational move to Public Works will have minimal impact. The manager's duties will be absorbed by other managers and staff. It will take considerable time to replace the job knowledge and expertise of the manager. The duties of the technician will be absorbed by other technical staff. Since the other staff are already fully occupied, processing time for projects will lengthen.

The Mayor ordered a \$57,000 citywide reduction in budgeted overtime except for Police and Fire. The \$4,265 reduction for TMS reflects its proportional share of the total overtime reduction.